

HOUSE BILL No. 1239

DIGEST OF INTRODUCED BILL

Citations Affected: IC 20-12-22.3; IC 27-1-6-21.

Synopsis: Insurance education scholarship fund. Establishes the insurance education scholarship fund: (1) to encourage and promote individuals to pursue a career in insurance; and (2) in recognition of the shortage of individuals pursuing an education in insurance. Requires the money in the fund to be used to provide annual scholarships to students who meet certain criteria and who study or are intending to study insurance or business with an emphasis on insurance. Provides that the fund consists of money from: (1) administrative fees imposed on a domestic company that fails to meet certain requirements; and (2) gifts to the fund. Requires the state student assistance commission to: (1) administer the fund; (2) establish criteria for receiving a scholarship from the fund; and (3) maintain records concerning the administration of the fund. Requires: (1) the commission for higher education to provide information concerning the number of students studying insurance at each state educational institution; and (2) each state educational institution to award scholarships to qualifying insurance students and provide certain information. Annually appropriates money in the fund to the state student assistance commission.

Effective: July 1, 2006.

Ripley

January 10, 2006, read first time and referred to Committee on Insurance.

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Introduced

Second Regular Session 114th General Assembly (2006)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2005 Regular Session of the General Assembly.

HOUSE BILL No. 1239

A BILL FOR AN ACT to amend the Indiana Code concerning insurance and to make an appropriation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 20-12-22.3 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2006]:

4 **Chapter 22.3. Insurance Education Scholarship Fund**

5 **Sec. 1. As used in this chapter, "commission" refers to the state**
6 **student assistance commission established by IC 20-12-21-4.**

7 **Sec. 2. As used in this chapter, "fund" refers to the insurance**
8 **education scholarship fund established by section 5 of this chapter.**

9 **Sec. 3. As used in this chapter, "insurance student" means a**
10 **student who is studying or intends to study:**

11 (1) **insurance; or**

12 (2) **business with an emphasis on insurance.**

13 **Sec. 4. As used in this chapter, "state educational institution" has**
14 **the meaning set forth in IC 20-12-0.5-1.**

15 **Sec. 5. (a) The insurance education scholarship fund is**
16 **established:**

17 (1) **to encourage and promote qualified individuals to pursue**

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1 a career in insurance in Indiana; and

2 (2) in recognition of the fact that there is a shortage of
3 individuals who pursue an education in:

4 (A) insurance; or

5 (B) business with an emphasis on insurance.

6 (b) The fund consists of the following:

7 (1) Administrative fees remitted by a domestic company to the
8 insurance commissioner under IC 27-1-6-21(c).

9 (2) Gifts to the fund.

10 Sec. 6. (a) The commission shall administer the fund.

11 (b) The expenses of administering the fund shall be paid from
12 money in the fund.

13 (c) The treasurer of state shall invest the money in the fund not
14 currently needed to meet the obligations of the fund in the same
15 manner as other public funds may be invested. Interest that
16 accrues from the investments shall be deposited in the fund.

17 (d) Money in the fund at the end of a state fiscal year does not
18 revert to the state general fund.

19 (e) There is annually appropriated to the commission all money
20 in the fund to carry out the purposes of this chapter.

21 Sec. 7. (a) The money in the fund shall be used to provide annual
22 scholarships to insurance students who qualify under section 9 of
23 this chapter. The commission shall determine the amount of money
24 to be allocated from the fund for scholarships under this chapter.

25 (b) A scholarship awarded under this chapter may be used only
26 for the payment of tuition or fees that are:

27 (1) approved by the state educational institution that awards
28 the scholarship; and

29 (2) not otherwise payable under any other scholarship or form
30 of financial assistance specifically designated for tuition or
31 fees.

32 (c) Subject to section 8(c) of this chapter, each scholarship
33 under this chapter is renewable under section 8(b) of this chapter
34 for a total number of terms that does not exceed the eight (8)
35 full-time (or part-time equivalent) semesters, or twelve (12)
36 full-time (or part-time equivalent) quarters.

37 Sec. 8. (a) The commission for higher education shall provide
38 the commission with the most recent information concerning the
39 number of insurance students at each state educational institution.

40 (b) The commission shall allocate the available money from the
41 fund to each state educational institution that has:

42 (1) an insurance program; or

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(2) a business program with an emphasis on insurance;
in proportion to the number of insurance students enrolled at each
state educational institution based upon the information received
by the commission under subsection (a).

(c) Each state educational institution shall determine which of
its insurance students who apply qualify for a scholarship from the
fund under section 9 of this chapter. In addition, the state
educational institution shall consider the need of the applicant
when awarding scholarships under this chapter.

(d) The state educational institution may not grant a scholarship
renewal to an insurance student for an academic year that ends
later than six (6) years after the date on which the insurance
student received the insurance student's initial scholarship under
this chapter.

(e) Any funds that:

(1) are allocated to a state educational institution under
section 8(b) of this chapter; and

(2) are not used for scholarships under this chapter;
shall be returned to the commission for reallocation by the
commission to any other eligible state educational institution in
need of additional funds.

Sec. 9. To qualify for a scholarship from the fund, an insurance
student must:

(1) be admitted to an approved state educational institution as
a full-time or part-time insurance student; and

(2) meet the qualifications established by the commission
under section 11 of this chapter.

Sec. 10. (a) The commission shall maintain complete and
accurate records in administering the fund, including records
concerning the scholarships awarded under this chapter.

(b) Each state educational institution shall provide the
commission with information concerning the following:

(1) The awarding of scholarships under this chapter.

(2) The academic progress made by each recipient of a
scholarship under this chapter.

(3) Other pertinent information requested by the commission.

Sec. 11. (a) The commission shall establish qualifications for
recipients of scholarships under this chapter under rules adopted
under subsection (b).

(b) The commission shall adopt rules under IC 4-22-2 necessary
to carry out this chapter.

SECTION 2. IC 27-1-6-21 IS AMENDED TO READ AS

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FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 21. (a) A company that is approved by the department after June 30, 2000, to be domiciled in Indiana, must have and maintain in Indiana the following:

(1) A physical presence that provides economic benefit to the state.

(2) Complete records of the company's assets, transactions, and affairs in accordance with methods and systems that are customary or suitable to the kind or kinds of insurance transacted by the company, including all records required under IC 27-1-7-16. Records may be maintained in a form that is physically or electronically available to the department within Indiana.

(b) The commissioner shall determine whether the requirements of subsection (a) are met. In making a determination under subsection (a)(1), the commissioner shall compare and consider the following:

(1) The economic benefit to Indiana and Indiana communities offered by the domestication of the company.

(2) The costs that may be incurred by the state in regulating the company as a domestic company versus a foreign company.

(c) If a domestic company subject to this section fails to comply with the provisions of subsection (a), the commissioner may:

(1) require the company to transfer its domicile under IC 27-1-6.5-2; or

(2) annually impose an additional administrative fee on the company in an amount equal to the difference between the cost of regulating the company as a domestic company and the cost of regulating the company as a foreign company. The fee shall be deposited in the ~~department of insurance fund established by IC 27-1-3-28~~ **insurance education scholarship fund established by IC 20-12-22.3-5.**

(d) In the case of a company that is part of an insurance holding company system (as defined in IC 27-1-23-1) whose presence provides an economic benefit to the state, the commissioner shall consider the insurance holding company system and any domestic company in the aggregate when making the determination required under subsection (b).

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